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MSM welcomes Finance Ministry's clarity on SST exemption mechanism for raw sugar

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KUALA LUMPUR: MSM Malaysia Holdings Bhd (MSM), the producer of the national refined sugar brand "Gula Prai", welcomes the timely clarification issued today by the Ministry of Finance regarding the Sales and Service Tax (SST) treatment of raw sugar imports.

The ministry's statement today confirmed that while a five per cent sales tax will apply to raw sugar, a key input for refined sugar production, refiners may apply for tax exemptions under prescribed conditions.

In a statement today, MSM said that this clarification follows MSM highlighting the potential significant cost pressures arising from the expanded SST regime during its annual general meeting on June 19, 2025.

"The group emphasised that these input cost increases could impact refined sugar pricing, which could in turn push up prices of refined sugar for industrial buyers.

"We appreciate the ministry's prompt attention to this matter and its reaffirmation of a clear pathway for eligible refiners to seek relief," it said.

MSM added that this is particularly crucial given the challenging operating environment, where retail sugar prices have been capped at RM2.85 per kilogramme since 2011 despite substantial rises in global raw sugar costs in recent years.

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